GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3216
ANSWERED ON:23.03.2005
MISUSE OF FACILITIES TO AGRO, RURAL INDUSTRIES AND KHADI SECTOR
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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the facilities and concessions to the Agro and Rural Industries and Khadi sector is being misused by some organizations;

(b): whether the Government is aware that Agro, Rural and Tiny Sector units purchase the product of mills and market them in the name of Khadi and Rural Industries Sector and no considerable increase in employment takes place as a result thereof;

(c): whether Government will consider to place some supervisory mechanism in place and give preference to market the goods to Tiny Sector; and

(d): if so, the details thereof?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Some cases of misutilisation of facilities and concessions extended by the Khadi and Village Industries Commission (KVIC) directly to some institutions as well as through the State Khadi and Village Industries Boards (KVIBs) have been reported to the Government.

(b): The khadi institutions do not deal in mill cloth. All transactions involving sale and purchase of khadi are limited institutions certified by the Central Certification Committee of the KVIC. There has been steady increase in employment generated in the village industries and khadi, taken together, over the years, as detailed below:

Year	Employment (lakh persons)
2001-02	62.64
2002-03	66.64
2003-04	71.19

(c)&(d): The khadi products supplied to the Government Departments are checked for quality control by the Inspection Wing of Directorate General of Supplies and Disposal (DGS&D). All the khadi institutions in the country regularly send their khadi cloth samples for inspection to the Textiles Committee, a statutory autonomous body set up by the Ministry of Textiles under the Textiles Committee Act, 1963. Further, for khadi an internal supervisory mechanism of the KVIC is already in place in the form of Central Certification Committee and system of Integrated Audit. The certified sales outlets in the khadi and village industries (KVI) sector do not deal in any goods except khadi and polyvastra, produced within the KVI Sector. They also sell village industry products procured from individual entrepreneurs/institutions registered with KVIC/KVIBs.